

7 REORGANIZATION PROCEDURES

7.1 Executive Orders Relating to Reorganization

Executive Orders are those reorganization directives that affect the top three levels of government: cabinets, departments or offices, and divisions. Detailed administrative changes affecting any branches, sections, and units should be requested by Administrative Orders. Therefore, a major reorganization within a cabinet or department, for example, may require both types of Orders: the Executive Order should address the cabinet, departments/offices and divisions, and the Administrative Order should address substructure changes at the branch, section, and unit levels.

Pursuant to KRS 12.028, Executive Orders signed by the Governor and other Constitutional Officers become law when ratified by the next session of the General Assembly. Orders signed in the interim have only temporary legal effects. For this reason, it is essential for every agency which obtains an approved Executive Order to translate that Order into a bill for the next Assembly. In the event a reorganization bill is not ratified, the agency must revert to its original structure ninety (90) days after *sine die* adjournment of the General Assembly. Unless they contain emergency clauses, reorganization bills which are passed by the Assembly become law 90 days after adjournment, thus validating the agency's organizational structure.

The legal framework for reorganizations are found in KRS Chapter 12 and KRS Chapter 18A. Because of its specific applicability, KRS 12.028 is quoted in its entirety here. **KRS 12.028 states:**

(1) Recognizing the necessity for grouping related functions of organizational units and administrative bodies in order to promote greater economy, efficiency and improved administration, the governor and other elected state executive officers may propose to the general assembly, for its approval, changes in the state government organizational structure which may include the creation, alteration or abolition of any organizational unit or administrative body and the transfer of functions, personnel, funds, equipment, facilities and records from one (1) organizational unit or administrative body to another.

(2) Recognizing that changes in the state government organizational structure may need to be made as rapidly as possible to achieve greater economy, efficiency and improved administration as the needs of government dictate, the governor and other elected state executive officers may, between sessions of the general assembly, temporarily effect a change in the state government organizational structure as described in subsection (1) of this section if such temporary reorganization plan is first reviewed by the interim joint legislative committee with appropriate jurisdiction. The governor may not effect a temporary reorganization plan under this subsection that would change the organizational structure of an organizational unit or administrative body headed by another elected state executive officer unless requested in

writing by that officer. An elected state executive officer other than the governor may only change the organizational structure of an organizational unit or administrative body that he heads.

(3) Any reorganization proposed under subsection (1) or (2) of this section shall be set forth in a reorganization plan which shall be filed with the legislative research commission. The plan shall include:

(a) An explanation of each proposed change, including the need for the change;

(b) An estimate of any reduction or increase in expenditures, itemized as far as practicable, which the promulgating officer expects will result from the reorganization;

(c) A description of any improvements in the management, delivery of state services, and efficiency of state government operations which the promulgating officer expects will be realized as a result of the reorganization; and

(d) Specification of the effects of the reorganization on the budget and personnel of each affected organizational unit or administrative body, including but not limited to the amount of funds and the number of employees that will be transferred from one (1) organizational unit or administrative body to another, any reductions in the state work force resulting from the reorganization, and the methods to be utilized to achieve such reductions.

(4) When a proposed reorganization plan is submitted for review under subsection (2) of this section the presiding co-chairmen of the legislative research commission shall determine which interim joint legislative committee has appropriate jurisdiction and shall refer the plan to such committee within ten (10) days after the director of the legislative research commission receives the proposal. The interim joint legislative committee to which it is referred shall review the plan to determine whether the plan can reasonably be expected to achieve greater economy, efficiency or improved administration in state government. The committee shall report its findings to the legislative research commission. The committee shall review and report on the plan within sixty (60) days after it is filed with the legislative research commission. If the committee does not report on a proposed plan within the time specified in the subsection, the plan shall be considered reviewed by the interim joint legislative committee with appropriate jurisdiction.

(5) A temporary reorganization effected under subsections (2) to (4) of this section shall be terminated ninety (90) days after sine die adjournment of the next regular session of the general assembly unless otherwise specified by the general assembly. The governor or other officer who promulgated a temporary reorganization plan under this section shall recommend legislation to the general assembly to confirm the temporary reorganization plan. The

subject matter of each executive order relating to reorganization shall be presented to the general assembly in a separate bill. If the general assembly fails to enact the temporary reorganization plan or an alternative to such plan, the organizational structure that existed immediately prior to the implementation of the temporary plan shall be reinstated upon the termination of the temporary plan. If the general assembly fails to enact a temporary reorganization plan, the governor and other elected state executive officers shall not effect the plan prior to the next succeeding session of the general assembly.

(6) The legislative research commission or the legislative program review and investigations committee may monitor the implementation of any reorganization plan to determine the extent to which the anticipated improvements in economy, efficiency or administration have been realized as a result of the reorganization and shall report its findings to the general assembly.

(7) Funds transferred due to reorganization shall be maintained in separately designated accounts. Any excess funds resulting from a reorganization shall lapse to the general fund surplus account.

The following procedures for submitting reorganization requests by executive order are intended to comply with KRS Chapters 12 and 18A.

1. Send the reorganization documents described below to the Governor's Office for Policy and Management (GOPM), Room 284, Capitol Annex.

Copies of these documents will be distributed to the Personnel Cabinet and the Governor's General Counsel. If any of these agencies request supplemental documentation, GOPM will notify the initiating agency accordingly. If the draft is in proper form, the agency and the Governor's Office will be contacted. The Governor's General Counsel will ensure preparation of executive orders on the Governor's stationery.

In accordance with KRS 12.028, proposed reorganizations must be filed with the Legislative Research Commission. The interim committee of jurisdiction has (60) days in which to review the proposed reorganization. For this reason, Executive and Administrative Orders should carry a blank effective date to comply with the statute.

To prevent an overlap with personnel increment dates which occur on the first of the month, it is recommended that reorganizations be effective on the **sixteenth** of the month following the review of the appropriate interim joint committee or the elapse of the 60 day period. This decreases the burden of paperwork for your agency and for GOPM and provides sufficient lead time to process notifications.

Executive Orders are assigned identification numbers following approval and signature by the Governor. All Orders are then forwarded to the

Secretary of State per KRS 12.028 for attesting signature and official recording as state record and filed with the Director of the Legislative Research Commission.

2. Send the completed [Executive Order](#) with a cover letter signed by the cabinet secretary or independent agency head authorizing agency approval of proposed changes. The letter should include the name of the agency contact person who has detailed knowledge about the request.
3. Include a summary of the [Reorganization Plan](#) with **detailed** documentation of how agency services would be affected, as well as personnel and fiscal impacts. The Plan should include a summary of the Order and how the reorganization will benefit the agency's programs and/or improve the delivery of service. Reference related statutes, regulations, Attorney General's opinions. Any request resulting from a federal program change should also be noted along with documentation of how the federal alteration will require change on the state level. Attach related executive orders.

Other detailed information should include the number of both merit and non-merit employees affected by the proposed reorganization, any newly created positions or promotions which may result, estimated cost by source of funds, categories of personnel costs, operating expenses, capital outlay or fund transfers, additional space requirements, and what groups, if any, outside the agency might be affected or interested in the reorganization.

4. Include [current organizational charts](#) depicting organizational number in each valid cost center (organizational entity). All programs and/or cost centers that will be consolidated or abolished under the proposal should be clearly indicated in an accompanying narrative. Only cost centers bearing valid organizational numbers should be depicted on charts. Individual positions should not be shown as separate cost centers.
5. Include [proposed organizational charts](#) depicting the number of employees* and organizational number that would be in each cost center.
6. All of the documents requested above, [Checklist of Changes Relating to Reorganizations](#), the ["Structural From-To List"](#), and the ["Position From-To List" \(Crosswalk\)](#) must be submitted for review. Incomplete submissions will be returned to the agencies for correction.